

5. He has no ability to refund the Kansas ad valorem tax reimbursements.

If the Commission does not grant the relief requested Gower requests relief from the payment of any refunds based on the Big E 1-16 Well and the Keating 2-24 Well because tax reimbursement was received by Quinque on those wells for two of the four years on which Panhandle's Statement of Refunds is based. Gower claims that the two wells were deregulated on January 1, 1985 and therefore the refund should not be owed on reimbursements received at a time when the wells were not regulated. Gower also asks for relief from the payment of interest on any principal amount found to be owed by him.

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the Federal Register of this notice, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

David P. Boergers,
Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. SA98-48-000]

Graham-Michaelis Corporation; Notice of Petition for Adjustment and Extension of Time

March 19, 1998.

Take notice that on March 9, 1998, Graham-Michaelis Corporation (GMC) and the working interest owners (First Sellers), filed in Docket No. SA98-48-000 a petition for adjustment pursuant to Section 502(c) of the Natural Gas Policy Act (NGPA) 15 U.S.C. 3412(c) and Rules 1101-1117 of the Commission's Rules of Practice and Procedure (18 CFR 385.1101-385.1117) requesting a 90 day extension and to be

relieved of all refund requests or obligations, all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

GMC requests a 90 day extension from March 9, 1998, in which to reach an agreement with KN Interstate Gas Transmission Company.

First Sellers requests that it be relieved from any refund obligation claimed and that all escrow funds with its interest then be returned to First Sellers.

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the **Federal Register** of this notice, file with the Federal Energy Regulatory Commission, 999 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

David P. Boergers,
Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. SA98-49-000]

Graham-Michaelis Corporation; Notice of Petition for Adjustment

March 19, 1998.

Take notice that on March 9, 1998, Applicants, Graham-Michaelis Corporation (GMC) and the working interest owners¹ filed a petition for adjustment under section 502(c) of the

¹ Working interest owners are W.A. Michaelis, Jr. Revocable Trust, John L. James Revocable Trust, George D. Rosel Estate, Aikman Oil & Gas Co., CEA Corp., Robert E. Aikman, William H. Aikman, Dail C. West, Graham Enterprises, William L. Graham Revocable Trust, Graham Co., H.R. Michaelis Revocable Trust, David M. Dayvault Revocable Trust, Jack L. Yinger Revocable Trust, K & B Producers, Inc., William Graham, Inc., Chas. A. Neal & Co., March Oil Co., Minatome Corp., Leona P. Maxfield, Lake Forest Academy, and Kaiser-Francis Oil Co.

Natural Gas Policy Act of 1978 (NGPA),² and an extension of time to reach agreement or a dispute resolution request, with respect to its Kansas ad valorem tax refund liability under the Commission's September 10, 1997 order in Docket Nos. RP97-369-000, GP97-3-000, GP97-4-000, and GP97-5-003.³

The Commission's September 10 order on remand from the D.C. Circuit Court of Appeals⁴ directed first sellers under the NGPA to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988. The Commission issued a January 28, 1998 order in Docket No. RP98-39-001, *et al.* (January 28 Order),⁵ clarifying the refund procedures, stating that producers could request additional time to establish the uncollectability of royalty refunds, and that first seller may file requests for NGPA section 502(c) adjustment relief from the refund requirement and the timing and procedures for implementing the refunds, based on the individual circumstances applicable to each first seller.

GMC, on behalf of first sellers for whom it operated (Applicants), requests authorization, pursuant to the Commission's January 28 order, that the Commission: (1) Extend the time by 90 days from March 9, 1998, in which to reach an agreement with Northern Natural Gas Company on the correct amount of the potential refund liability of Applicants and submit any unresolved dispute to the Commission; (2) grant an adjustment to its procedures to allow Applicants to defer payment of principal and interest attributable to royalties for one year until March 9, 1999; and (3) grant an adjustment to the Commission's procedures to allow Applicants to place into an escrow account the amount of the refund which appears presently to be in dispute but which may still be resolved by agreement and (i) amounts attributable to royalty refunds which have not been collected from the royalty owners (principal and interest), (ii) principal and interest on amounts attributable to production prior to October 4, 1983, (iii) interest on royalty amounts which have been recovered from the royalty owners (the principal of which was refunded), and (iv) interest on all reimbursed principal amounts determined to be

² 15 U.S.C. 3142(c) (1982).

³ See 80 FERC ¶ 61,264 (1997); order denying reh'g issued January 28, 1998, 82 FERC ¶ 61,058 (1998).

⁴ *Public Service Company of Colorado v. FERC*, 91 F.3d 1478 (D.C. 1996), cert. denied, Nos. 96-954 and 96-1230 (65 U.S.L.W. 3751 and 3754, May 12, 1997).

⁵ 82 FERC ¶ 61,059 (1998).